



## 6 Donors & Funding

*There is much to be done.*

Georg Zundel

Ending violence and building peace require not only patience and experience but also financial resources. Yet total funding for non-violent approaches to conflict transformation is miniscule compared to the world's military budgets. In 2010, SIPRI estimated world military expenditure at USD 1630 billion, of which the United States government accounts for by far the largest share, with a military budget of USD 689 billion. By contrast, the budget of the United Nations and all its agencies is about USD 30 billion per year, according to the Global Policy Forum – a mere 1.8% of global military expenditure. Similarly, funds allocated to development assistance by OECD countries in 2010 amounted to USD 129 billion, less than 8% of global military

spending. These figures remind us that when it comes to protecting their international interests, states are determined to maintain their ability to use military means if necessary. While the development of non-violent alternatives to a military security paradigm may not be at the top of governments' list of priorities, there can be no doubt that states have a role to play in building peace. They are stakeholders in the majority of conflicts, and they also control an overwhelming amount of the resources needed for their resolution.

However modest the amount of public funding for peacebuilding may appear, the contrast to private funding is even greater. Unfortunately, reliable statistics on this issue are notoriously hard to come by for most parts of the world. A report by the Peace and Security Funders Group (PSFG) provides an exception, looking at grant-making by foundations based in the United States for typical issue areas such as arms control or conflict resolution. According to the report, peace-related grant-making totalled USD 257 million in the years 2008 and 2009 combined, of which around USD 67 million (26.3%) went to issues relating to the prevention and resolution of violent conflict. This amount is almost negligible when compared to overall philanthropic giving over the same time period. In response, it might be argued that starting out from a more comprehensive definition of peace, funding for related areas, such as human rights or possibly development assistance, would have to be included as well. What remains in any case is the impression that peace-related issues feature no higher on the agenda of philanthropists than they do on that of governments.

### **Conflict transformation – a philanthropic challenge**

That peace-related issues play at best a minor role in the philanthropic world is no surprise, given the challenges which the peace and security environment presents to funders. Conflict transformation proves to be no exception, but stands out as being particularly hard to approach.

First of all, → conflict transformation, if it aspires to be inclusive, often involves working with actors who are publicly stigmatised, such as proscribed groups. This not only runs the risk of being viewed as highly controversial by the public; it can also be problematical from a legal perspective, especially in the post 9/11 world. Legal uncertainty is not an attractive environment for either non-governmental organisations or funders to work in, as they have to be prepared to deal with accusations and the possibility of negative public relations fallout, a risk that larger and corporate foundations in particular tend to shy away from. Secondly, the impact of conflict transformation is notoriously hard to measure, because conflict situations are highly complex and follow a non-linear and long-term timeframe. Very few funders are prepared to invest in areas with uncertain outcomes in the shorter term. In addition, the rising popularity of social entrepreneurship and with it the application of business methods in a philanthropic context create new challenges in this field, which have been difficult to master. Finally, conflict transformation requires experience, cultural sensitivity and a good network to access the relevant actors. More importantly, it also requires persistence, persuasion and the strength to cope with regular setbacks.

Despite this challenge, private funding for conflict transformation can offer enormous benefits. Being often driven by principles that focus on stakeholders and their relationships, private funders can more credibly interact with non-state actors and civil society in general. Public donors, by contrast, tend to follow a different set of priorities that is more often centred on state interests and standards. These may be hard to reconcile with conflict realities on the ground, putting non-state stakeholders in a conflict at a critical disadvantage. Were it not for privately funded initiatives, these actors would often be left to themselves or fall under the influence of the stronger conflict party. Finding it easier to reach out and build bridges to a broad range of actors, privately funded initiatives can help to create the inclusive peace processes required to tackle today's ethno-political conflicts, tap-

ping peacebuilding potentials which are otherwise hard to reach. While this means that private funding does indeed have an important role to play, ultimately the success of all private initiatives depends on their ability to leverage scarce resources by reaching out to the state. To do so, they have a spectrum of activities at hand, ranging from the provision of research, education and information to the direct engagement of people through non-governmental organisations and private diplomacy. When these levers are employed adequately and in a coordinated way, even small-scale initiatives have the potential to bring about change on a large scale. Such public-private partnerships can offer great opportunities in terms of leverage. However, they can also undermine the actual as well as the perceived integrity of conflict transformation initiatives among the conflict parties. Non-governmental organisations must therefore make sure that their principles are in alignment with those of their donors. Last but not least, it is exactly because sources of funding can matter a great deal on the ground, in terms of perceived influence, that philanthropic resources, when employed in a targeted way, can be critical to the success of such initiatives.

The Berghof Foundation is an independent, non-governmental and non-profit organisation dedicated to supporting efforts for achieving sustainable peace through research, practice and education. It was established by Professor Georg Zundel in 1971 in order to make a contribution towards a world in which people have the knowledge, skills, spaces and institutions to maintain peaceful relations and overcome violence. Professor Georg Zundel was driven not only by his personal experience of the horrors of World War II, but also by the legacy of his grandfather Robert Bosch, who as an entrepreneur and industrialist also knew the economic cost of violence.

## A risk worth taking

That the world's military budget dwarfs the amount of funding provided for conflict transformation and peacebuilding should not discourage funders. In fact, it might be expected that the potential impact in an underfunded issue area should be higher as there are more opportunities left to be exploited. At the same time, making good use of such opportunities can be challenging, as it requires the willingness to face public controversy, as well as persistence and, not least, the ability to combine public and private resources in mutually reinforcing ways. For the recipients of funding, this means that they will have to manage the interests and perceptions that come with it, in order not to betray their principles and hence their advantage on the ground. While true success stories may be rare, the potential impact that such initiatives can achieve is enormous. Answering the challenge of violent conflict can not only relieve human suffering; it can also release immense resources that can be put to more beneficial use.

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### References and Further Reading

- Hudson Institute Center for Global Prosperity (2011).** *Index of Global Philanthropy and Remittances 2011*. Washington, DC: Hudson Institute Center.
- Peace and Security Funders Group (2010).** *Peace and Security Grantmaking by U.S. Foundations, 2008–2009*. Charlottesville, VA: PSFG.
- Stockholm International Peace Research Institute (2011).** *SIPRI Yearbook 2011. Armaments, Disarmament and International Security*. Oxford: Oxford University Press.

### Online Resources

- Global Policy Forum**, [www.globalpolicy.org](http://www.globalpolicy.org)
- Institute for Economics and Peace**, [www.visionofhumanity.org/gpi-data/](http://www.visionofhumanity.org/gpi-data/)
- OECD**, [www.oecd.org](http://www.oecd.org)
- SIPRI Yearbook 2011**, Summary Version, [www.berghof-foundation.org](http://www.berghof-foundation.org) > Publications > Peace Education Resources [in English and German]

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